

41

DEPUTY SECRETARY OF TRANSPORTATION
MORT DOWNEY
1996 SPEECH LIST

***SPEECH WAS RELEASED IN FINAL FORM**

01/11/96	The Road Gang Washington, D.C.
01/23/96	FHWA National Open House And NHS Celebration Washington, D.C. (Talking Points)
01/24/96	Transportation Administrative Service Center Opening Washington, D.C. (Talking Points)
01/25/96	White House Transportation Executives Conference Washington, D.C.
02/12/96	AMTRAK Blizzard Reunion Tour 1996 Washington, D.C. (Talking Points)
02/15/96	Maritime Trades Department, AFL-CIO 1996 Executive Board Meeting Bal Harbour, Florida
03/12/96*	Amalgamated Transit Union National Legislative Conference Washington, D.C.
03/29/96	Metrorail 20th Anniversary Washington, D.C. (Talking Points)
04/01/96	Railroad Safety Advisory Committee Meeting Washington, D.C. (Talking Points)
04/02/96	ITS National Architecture Final Program Review Washington, D.C. (Talking Points)
04/04/96	International Trade Promotion Meeting for Surface Transportation

04/09/96	ISTEA Reauthorization Policy Statement and Principles
04/11/96	ITS Operations Center Opening Atlanta, Georgia (Talking Points)
04/12/96	American Association Of Railroad Board Meeting Washington, D.C. (Talking Points)
04/12/96	Address To The Coast Guard Corps of Cadets New London, Connecticut
04/16/96	ITS America Annual Meeting: ISTEA Reauthorization Houston, Texas
04/16/96	Senior Executive Service Dinner Washington, D.C. (Talking Points)
04/25/96	DOT Regional Administrators Meeting Washington, D.C. (Talking Points)
05/08/96	ENO Transportation Foundation, Inc. Transportation Policy Education Conference Washington, D.C.
05/13/96	U.S.-India Business Council Annual Meeting Washington, D.C.
05/15/96*	Operation Lifesaver Congressional Appreciation Awards Washington, D.C.
05/16/96	Senior Executive Service Dinner Washington, D.C. (Talking Points)
05/22/96	National Maritime Day Washington, D.C.
05/23/96	Greater Orlando Chamber of Commerce 1996 Washington Fly-In Washington, D.C.

05/23/96	Information Technology Omnibus Procurement Washington, D.C.
05/29/96	American Chamber of Commerce Budapest, Hungary
06/03/96	"Infrastructure: Future Directions For Technology Development and Policy" New York, New York
06/06/96	Netherwood Station ISTE A Event Plainfield, New Jersey
06/07/96	ISTEA Reauthorization Forum New York, New York
06/10/06	Northeast Association of State Transportation Officials 1996 Annual Conference Providence, Rhode Island
06/19/96	Infrastructure Opportunities Southeast Asia San Francisco, California
06/20/96	Women's Transportation Seminar Chicago, Illinois
06/20/96	RSPA/GAS Research Institute MOU Signing Washington, D.C.
06/26/96	APTA Police/Security Workshop Washington, D.C.
06/27/96	Retirement of Admiral Henn Washington, D.C.
07/01/96	Washington State Ferry Grant Bremerton, Washington
07/02/06	ISTEA Reauthorization Forum Portland, Oregon
07/02/96	South-North Light Rail Grant Portland, Oregon
7/08/96	International Urban ITS Workshop New York, New York

07/12/96 Americans With Disabilities
Act Celebration
Washington, D.C.

07/16/96 National Science Foundation
Workshop On Integrated Research
For Civil Infrastructure
Washington, D.C.

07/17/06 Aviation Security Advisory
Committee Meeting
Washington, D.C.
(Talking Points)

07/31/96 Salt Lake City Light Rail Grant
Salt Lake City, Utah
(Talking Points)

08/23/96 Minneapolis ISTEA Forum
Minneapolis, Minnesota

08/29/96 Kiplingers Telephone Interview
on ITS
Washington, D.C.
(Talking Points)

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**REMARKS PREPARED FOR DELIVERY
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY
TRANSPORTATION RESEARCH BOARD
INTERNATIONAL ROUNDTABLE
WASHINGTON, D.C.
JANUARY 8, 1996**

(Introduction to be made by Kumares C. Sinha of Purdue University)

Opening

Thank you, Professor Sinha, for that introduction. I'm pleased to join you, Mr. Schacke, and Mr. Westerduin at this forum.¹

This is the Transportation Research Board's 75th annual meeting, and I'm sure that all of the participants today join me in wishing TRB a very happy birthday.

TRB has been a leader, both within the U.S. and internationally, in developing the transportation systems we need for worldwide economic growth and an improved quality of life.

We look forward to TRB's leading transportation into the 21st century.

¹ Phonetic pronunciations will be confirmed with TRB and provided.

75 years ago -- 25 years from now

I don't believe that any of the participants at TRB's first meeting are with us this year, but if they were I'm sure they'd be amazed at the changes in transportation.

Within the U.S. in the early 1920s, passenger and freight rail dominated the transport of people and goods. Ocean shipping provided virtually the only intercontinental transport. The automobile, trucking, and aviation industries were in their infancy.

Today we see a vastly different world. Shipping -- mostly through foreign carriers -- still moves most American goods overseas, but aviation carries virtually all passengers.

Upwards of 90 percent of domestic travelers use private automobiles to reach their destinations. Industries that had strong market shares a generation or two ago -- intercity passenger rail and bus, for example -- have weakened to the point of having only one national carrier in each.

The situation internationally has also changed, if perhaps less dramatically. Aviation is growing as a means of travel, even in nations with adjacent borders.

The automobile increasingly dominates urban transport around the world, displacing traditional forms of transportation. Nations around the world are replicating the American experience, for both better and worse.

For better -- because the transportation systems created in the U.S. over the past century have contributed both to this nation's unparalleled economic growth and to the mobility and freedom that characterizes the United States.

For worse -- because those same systems have numerous unintended, undesirable consequences -- everything from urban sprawl to air pollution to energy waste to transport-related deaths and injuries to patterns of development which demand that ever-increasing shares of national income be developed to the operation and maintenance of transport systems.

We in the United States have increasingly been working to counterbalance these impacts, with varying degrees of success.

Much of this progress we've made has been due to research and technology development -- through the Department of Transportation, through the nation's academic community and private sector, and through TRB.

Given that this is TRB's birthday, let me take a minute to reflect on some of the achievements that it has made possible, especially through the world-class research programs it administers.

Beginning in 1962, the National Cooperative Highway Research Program has conducted research in vital areas affecting the planning, design, construction, operation, and maintenance of the nation's roads.

TRB also manages the Transit Cooperative Research Program, which undertakes research and other technical activities on mass transit issues.

TRB also administers the IDEA Program, an acronym for Innovations Deserving Exploratory Analysis, which focuses on early support for technological breakthroughs which improve safety, efficiency, and environmental friendliness in our transportation system.

Together with more than 180 interdisciplinary, professional committees TRB coordinates, these programs have helped us to adapt to a changing environment and to meet our nation's transportation needs.

We see other nations struggling with the same problems that TRB has helped us to attack -- and sometimes finding that these problems are even more intractable when faced by developing nations which can't afford the scope of solutions we have implemented, or nations in which geographic and demographic patterns conspire to make these problems even more severe.

I'd like to review some of these challenges -- within the context of what we may expect At TRB's centennial celebration just 25 years from now -- but more importantly in terms of how they affect and shape the research agenda that we're pursuing in the coming quarter-century.

The socioeconomic context

The prospects for the future are daunting in this respect. The world's population is projected to be eight billion -- 40 percent greater than today's. More than half of them will live in urbanized areas which, contrary to perceptions in the U.S., are growing worldwide.

Many of these will dwarf today's megalopolises. Such giant cities -- some with as many as 50 million inhabitants -- will sprawl over hundreds of square miles.

— Many of these cities are still relatively small compared to what they may become -- cities such as Karachi, Dhaka, Hyderabad, Sao Paulo, and Lagos -- but are in nations with fast-growing populations that have difficulty sustaining large rural populations.

Again, this is similar to the American experience of urbanization during the early industrial era -- although the numbers involved are far larger.

If present trends persist, and that growth continues unabated, the world's population could reach 10 billion by the middle of the next century -- a number that raises Malthusian questions of our planet's carrying capacity -- not only for food production but for the provision of such basic needs as clean water and sanitation.

Many in the developed world see these fast-growing new nations as tremendous markets for products produced in highly-industrialized, slower-growing countries. Although the new market prospects are indeed enormous, the resulting urban congestion will place profound strains on the world's environmental, social, political, and economic systems.

The need for transportation improvements

The need for basic transportation infrastructure is high on the list of necessities for coping with such growth. Quite simply, neither these growing nations nor the developed world can prosper without a sound transportation network that moves people and products safely and efficiently.

The cities of the future will require greatly expanded transport infrastructure to support commerce and the demands of their residents. Nowhere are we really ready for this.

In the U.S., for example, a recent report we submitted to Congress showed that we need to spend \$17 billion more a year just to maintain the conditions and performance of today's transportation system, with all of its shortcomings.

We could invest another \$23 billion on top of that for projects which would generate economic benefits -- such as reduced traffic congestion -- in excess of their cost.

Related to this explosive population growth will be the development of land 10 -- 20 -- 30 or more miles away from a

city's core, with multiple activity centers making up a region unified only in name -- what some might call the Los Angelization of our cities.

Travel between these disparate centers for work, access to goods or services, and freight movement contributes to a level of travel demand that isn't readily served by the traditional transportation alternatives built up in the U.S. and other developed nations.

The response in the U.S. has been infrastructure investment that builds more roads to meet demand and a transportation system that can be described as resembling spaghetti. That system wastes fuel, generates air pollution and greenhouse gases, and is inefficient in moving people and freight.

Developing policies, programs, and technological advances that help to offset these impacts is high on our list of priorities.

Some of these promote use of alternatives to the single-occupant vehicle, such as mass transit and bicycle and pedestrian facilities. Carpooling and similar demand-management strategies fall into this category, and we've been aggressive in supporting them.

Other efforts to provide some direction include the use of pricing mechanisms to ensure that the best use is made of today's infrastructure. By letting states, localities, and private operators charge for the use of roads, we not only create a means

of paying for new facilities or transportation alternatives, but also reduce the demand for new capacity.

New toll highways, such as the ones that have opened recently in Virginia and in California, and proposals for congestion pricing experiments are the vanguard of this effort to increase system efficiency.

Impacts of growing tourism

There are, of course, positive outcomes in all of this. Although we'll see huge increases in the world's population, most of those people will be more affluent than their parents -- not necessarily to current standards in developed nations, but more affluent nonetheless. For instance, the People's Republic of China is already the most rapidly-growing market for Toyota's top-of-the-line Lexus.

This increased affluence will lead to increased travel and tourism -- currently the world's largest and fastest growing industry.

Tourism employs more than 200 million people -- one in every nine workers in the world. That represents a gross output approaching \$3.4 trillion.

People will be traveling who have never traveled before. In the U.S., tourism is already the leading source of foreign exchange and produces more than \$50 billion annually.

At the same time, as we look ahead, there is going to be increased worldwide competition for the tourist dollar -- from the Caribbean nations, Europe, and Asia.

That competition will be decided, to a certain extent, by access, and by the type and quality of our transportation systems.

Within the next 25 years we believe that America's air traffic control system, our airlines, and our airports will have to accommodate a billion passengers a year double today's number. If we can't handle that growth, the diversion of discretionary travel to other nations will pick up some of the slack and the rest will be travel foregone -- to the detriment of our economic goals.

Although we're working to reform our air traffic control system and to help localities build new airport capacity, this remains a difficult challenge to meet.

In spite of that we have made progress, again with much of it made possible through the work of our research community. Extensive research over the decades, directed towards both civilian and military purposes, has produced the satellite-based global positioning system.

Together with advanced communications systems, this has made possible a level of precision never before possible in identifying the location of an aircraft in all three dimensions.

Our aviation research is now directed toward a new generation of air traffic control and management technology that will operate from departure gate to arrival gate, helping us to achieve the Clinton Administration's goal of zero aviation accidents.

At the same time, these systems will substantially increase effective system capacity regardless of weather conditions or other factors.

This is only one of many steps we're taking to achieve these goals. The Clinton Administration has taken the lead in extensive efforts to provide short-term relief of air traffic congestion, such as the new computers which will be installed to replacing aging systems at key air traffic control centers.

New technological advances such as the national Air Traffic Command Center and the Voice Switching and Control System have made flight monitoring and communications far more effective, improving both system efficiency and communications.

Another Administration initiative is aggressive implementation of the Airport Improvement Program, which has issued over 3,300 grants to 1,370 airports in the last three years to expand airport capacity.

Trade

The globalization of the world economy most clearly manifests itself in trade. World trade is currently growing rapidly, and imports and exports are 20 percent of America's gross national product.

That share will only expand as a result of the free trade agreements that the U.S. and its partners have negotiated around the world.

An increasing fraction of these goods is handled in containers. Currently, we're handling 10 million containers a year in our ports. In 25 years this number will triple or possibly even quadruple.

There will be increased competition for urban transportation corridors between city dwellers and goods carriers. We've got to determine how we can avoid severe gridlock if we and our trading partners are going to keep down costs and remain competitive.

We're looking at a variety of strategies to do this. Some are common sense: improving customs and immigration procedures to reduce congestion at border crossings.

Others involve conventional transportation improvements, such as expanded roads and bridges at crossings.

However, many others are high-tech, the result of the type of research carried out by TRB and its members. For instance, tracking mechanisms, based either from satellites or computer scanners, can help shippers know exactly where their products are at any given moment.

Deregulation

One of the primary functions of government for several generations was the economic regulation of transportation industries. That has changed, and the course of federal transportation policymaking over the past two decades has been one of decreased regulation for businesses.

The result has been a more efficient and vigorous private sector. These initiatives began under President Carter, who oversaw extensive economic deregulation in the commercial trucking, freight rail, airline, and air cargo industries, and has been expanded under President Clinton.

These efforts leave it to the marketplace to regulate cost and service quality, and that has resulted in cheaper transportation that has cut costs for shippers and for consumers.

We're also continuing to find better ways than heavy-handed regulation to ensure better safety and the other social goals government pursues. Doing that means using incentives rather than penalties, and allowing transportation providers flexibility to deal with real-world situations.

The environment

One of the areas with the greatest improvement over the years, but one in which we face some of the greatest challenges, is the environment.

The world motor vehicle fleet now exceeds 500 million, and will double or triple in size over the next 25 years. This will lead to increased global demand for petroleum and more concern about global warming and local and regional air pollution.

It's been suggested -- jokingly, I trust -- that Armageddon will occur when a billion new car owners in the developing world all get up one morning and turn on their engines at the same time.

Clearly, there's an urgent need for more efficient and less-polluting motor vehicles that are consume less or even no petroleum products.

We have ongoing research in the U.S. under the Partnership for a New Generation Vehicle for a car that will have triple the fuel efficiency of today's automobiles -- over 80 miles per gallon -- and that will be virtually emission-free.

This effort, undertaken jointly by several federal agencies and the major U.S. auto manufacturers, will produce a vehicle that in all other respects -- safety, performance, comfort, and cost -- matches existing mid-sized cars. The effort to create this

vehicle includes everything from research on propulsion to structural materials to basic design.

We hope to be able to export that product to nations around the world that face the same problems we have.

We're also conducting research to support the further development and use of alternative fuels, both to conserve fuel and to cut the emissions produced by oil-powered vehicles.

Safety

Worldwide, about 250,000 people die in transportation accidents each year and over 10 million are injured. The fatality and injury rates in developing countries are triple to quadruple those in the U.S.

In 25 years, as the number of motor vehicles in the developing world increases, fatalities may reach a million per year with 40 to 50 million injuries -- carnage that's clearly unacceptable.

The United States has driven down its injury and fatality rates over the past generation through better road design, better vehicles, and safer driving practices -- often enforced through such means as campaigns to reduce drunk driving.

We think that we have much to share about transportation safety with developing nations, and hope to be able to do so.

At the same time, the U.S. still has much to do about safety on our own highways. A particularly difficult problem we and our counterparts in other developed nations are going to face in growing numbers over the next 25 years is the aging driver.

The developed world has an aging population, and one out of five licensed drivers in the U.S. will be aged 65 and over by TRB's centennial.

As people age their reflexes and ability to negotiate traffic tend to decline. Several questions arise: When is one too old to drive? How does one get to the store or the doctor if one can no longer drive?

When do workers who rely on their licenses stop driving, especially in an era of lengthening worklives?

How can we meet the mobility needs of many millions of people who have driven their entire lives -- and whose lives often have been arranged around personal mobility? These are the questions that we'll unfortunately have to face.

Since safety has been a leading DOT priority for nearly 30 years, much of the groundwork for the effort we'll have to undertake has already been done through ongoing research by DOT and TRB.

Vehicle crashworthiness research has been ongoing, and that has produced standards for everything from structural integrity to the safety belts and air bags that save so many lives.

Our work also includes such advanced systems as collision warning systems, blind spot detectors, and the use of infrared technology to enhance night vision.

We're also undertaking extensive behavioral research to determine how and why drivers perform as they do -- everything from reaction times to the physiology of drug and alcohol consumption.

This research will give us the foundation we need for effective strategies to improve the performance of drivers, whose mistakes are responsible for 90 percent of all crashes.

New technologies

Clearly, the era of addressing urban congestion and other transportation problems solely through new construction is over, especially in developed countries like the U.S. or in the European Union. The necessary land is no longer available, and people are increasingly reluctant to give up their neighborhoods and homes.

Moreover, the costs are huge. An analysis of 50 metropolitan areas across the country showed that simply to stay even with traffic we'd need to build 5,000 lane miles of road every year -- at a cost upwards of \$40 million a mile. Clearly, we can't afford this, and need to make better use of our existing highway system.

Recent advances in communications, computers, and sensing technology in combination with increasing computer-literacy will enable us to do this.

They'll allow safer and more effective use not only of existing highways but also of airport and rail systems through the technologies known as Intelligent Transportation Systems.

Earlier today, Secretary of Transportation Peña announced Operation Timesaver -- a national effort to deploy these new technologies and reduce Americans' travel time by 15 percent over the coming decade.

In essence, Operation Lifesaver will spur the deployment of an Intelligent Transportation Infrastructure -- a group of advanced technologies that will be integrated to reduce congestion and travel times.

In the coming years, ITS will further integrate the major categories of technologies -- traffic management and travel information systems, tracking and transaction systems, and enhanced vehicle -- to improve safety and efficiency.

As I mentioned earlier, integrating computer and information technology with transportation -- knowing where things are at any moment of time, and bringing about a seamless flow of goods -- is also critical in an age of intense international competition.

Further down the road, we hope to develop intelligent vehicles with collision avoidance systems and automated guidance that -- perhaps by TRB's centennial -- will result in fully-automated highways.

The widespread deployment of these technologies over the next 25 years will, however, require a new generation of transportation professionals, skilled in the areas of advanced communication and computer technology.

And, in a period of declining resources, they'll need to be educated in new methods of financing and partnering between the public and private sector. All of this will require advances as sudden as those in any other sector of society.

Closing

It's clear that we face significant problems because of population growth, new economic arrangements, new technologies, and changing patterns of development. Transportation will be at the center of this, and faces some of the most significant challenges.

In spite of those problems and challenges -- perhaps because of them -- the future of transportation is bright and has great potential, with many opportunities for those willing to accept the summons of a new world.

After more than three decades as a transportation professional, I remain convinced of the vital role we play in our societies.

I look forward to working with my colleagues in the U.S. and around the world in the coming years to develop solutions to the problems we face -- and look forward to attending TRB's centennial to find out how we've met the challenges I've outlined today. Thank you.

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**REMARKS PREPARED FOR DELIVERY
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY
THE ROAD GANG
WASHINGTON, D.C.
JANUARY 11, 1996**

Thank you for that introduction. As always, I welcome the chance to meet with you to talk about the issues we're working on. Today's turnout, in light of this week's blizzard, shows strong interest in how we're going to meet the challenges we face.

A year that begins with a government shutdown and then moves on to a transportation shutdown makes you wonder what challenges lie ahead.

Today I'd like to review a few of our major successes from last year, look forward to the 1997 budget and ISTEA reauthorization, and then leave time for some dialogue.

Let me begin with the obvious: we continue to face growing travel demand, inadequate capacity, bottlenecks and poor connections between modes, an aging, deteriorating infrastructure, and limited public funds.

Meeting these challenges in today's environment means going beyond the paradigms that have dominated transportation policy for the past 40 years.

Let's face it: we can't just build our way out of congestion and the other problems we face. We don't have the money to do so -- we can't overcome the impacts on our environment that doing so would bring -- and there are legitimate questions about the long-term effectiveness of such a strategy.

But that doesn't mean that we should be turning our backs on our legitimate needs and the opportunity to support economic growth.

Our existing transportation facilities will continue to be the backbone of our system, and we're going to have to maintain, and even expand, the network of roads, bridges, transit systems, and railroads that has been so critical to our nation.

That might sound contradictory, but transportation policymaking in the 1990s isn't a matter for either/or decisions.

Reconciling the inherent tensions between these goals and moving forward to achieve the progress our citizens deserve is what the Clinton Administration's transportation policies are all about.

1995 saw real progress on several key strategies to help us do this on the surface transportation side, and I'd like to talk about them.

We saw enactment of the National Highway System bill, which you supported so strongly. We in the Administration, and especially Rodney Slater, took up the cause of the NHS right after taking office, and we're proud of its passage -- especially since the system that was finally adopted was virtually identical to the one Secretary Peña first proposed two years ago.

Many of you had planned to gather last night to celebrate this victory -- but it's a significant-enough accomplishment to deserve a delayed celebration, and I look forward to joining with you when it is rescheduled.

The NHS is going to focus about \$6 billion of investment annually where it's most needed: on the four percent of roads that carry more than 40 percent of the nation's highway traffic, and especially the commercial traffic that supports an economy that's ever-more dependent on its world-wide logistics.

It's especially noteworthy that virtually all -- 98 percent -- of the NHS exists today. That means NHS funding will be targeted at maintaining and managing our system, keeping it up with demand, and preventing the neglect that we saw for too many years.

In 1996 we want to ensure that funding for NHS projects goes out in a timely fashion, and we've moved out the apportionments quickly.

We also want to take the next big step towards a true National Transportation System by including as part of the NHS connections to other modes.

We'll do that through a report to Congress that's due at the end of May, a date we would like to beat as we did with the NHS itself, and we look forward to your input.

The NHS bill also included other landmarks -- some important steps to rationalize the administrative processes and eliminate some burdens, as well as a package of innovative financing tools to stretch our dollars. In short, it is a good response to an era of limited federal funds.

The bill made permanent strategies that President Clinton announced a year ago using experimental authority granted by ISTEA.

These strategies go beyond our outdated system of paying for projects only through grant reimbursements. They give states and localities greater flexibility in how they use federal funds and enable them to more easily involve the private sector in highway and transit projects.

The first round of experimental projects that the President announced last year included 35 potential investments around the country, most of them highway projects, which could have a total value of about \$2 billion.

In 1996, we're going to accelerate implementation of innovative financing and move it towards the mainstream. We're putting together a *second* round of projects -- worth perhaps another \$3 billion in construction value -- that we plan to announce soon.

We also are acting quickly on the NHS bill's creation of infrastructure banks -- new entities to be created and operated by the states using federal seed money which can leverage private and other public capital dollars.

Such banks have real potential to put public support behind private initiatives in a way that works well for all investors. We want to have pilot programs running in as many as 10 states this year.

Innovative financing -- and the public-private partnerships it can put in place -- has tremendous potential for helping us deploy Intelligent Transportation Systems, which was a third big area of progress last year.

In retrospect, 1995 may well be viewed as the year when these technologies were recognized as a widely-accepted strategy.

These high-tech communications and information systems, encompassing everything from "smart cars" to "smart roads" to "smart subways," are already cutting congestion and increasing safety around the country.

It's important to note that they're being deployed not only by public agencies but also by private companies ranging from such large corporations as Hertz, General Motors, and Lockheed-Martin to start-ups like Metro Traffic and SmartRoutes. Players across the board believe that ITS is going to be one of the key ways to manage transportation demand.

In 1996 we're going to build on this change in perception in the transportation industry and begin a long-term effort to deploy ITS technologies around the country.

Some of you may have heard Secretary Peña's speech yesterday announcing Operation Timesaver, a call for commitment to put in place the intelligent transportation infrastructure that makes the most of our existing system to cut commute times by 15 percent.

This is an ambitious effort that's going to move ITS deployment onto the national agenda, and we're planning a push across all of the transportation modes to make it a reality.

Unlike other initiatives, ITS will rely heavily on private funding in addition to federal-aid programs, which is why it's so well-suited for innovative financing.

We also intend to be supportive of innovative approaches to the use of regular federal allocations as a way to accelerate achievement of the Operation Timesaver goals.

Now I'd like to turn to the issues of the budget and reauthorization that have been dominating discussion here in Washington.

The 1996 transportation appropriations bill enacted last November spared us most of the trauma that plagued much of the rest of the federal government during the recent shut-downs.

With an overall cut of about 4 percent from 1995 levels, transportation also was spared the severe reductions seen in other programs. In fact, the federal-aid highway program increased by more than \$270 million over last year -- a testament to that program's continued strength and the effectiveness of many in this room.

Ordinarily at this date we'd nearly be ready to propose a 1997 budget to Congress -- and you all would be trying to get details out of me in advance of their release. However, since the overall 1996 federal budget remains unresolved, we're in a rather unusual position, and I couldn't go into what might be proposed even if I wanted to.

But if I can't speak about the details of our 1997 budget proposal, I'd at least like to talk about the principles we believe should guide it -- and I'd like to do it within the context of discussing the related issue of ISTEA reauthorization.

As you all know, ISTEA authorizes federal highway and transit programs through fiscal 1997. We don't need to reauthorize them until late 1997, although some in Congress wanted to consider it this year.

I think that would have been a mistake. Although we have good experience on how ISTEA is working, we can only benefit from the additional knowledge that another year will bring.

Moreover, many of you took part in the national dialogue that took place before ISTEA, and I think you'd agree that it helped to produce a bill with extraordinarily broad support. We need to reopen that dialogue, but going through reauthorization this year would truncate it, to the disadvantage of all of us.

Finally, many state and local governments have developed transportation programs based on ISTEA's running its full term, and shouldn't have their plans disrupted by a change this late in the game.

So I don't see a need to rush things. I have confidence that there will be good people in place in 1997 to participate in reauthorization, and I'm surprised that those who considered acceleration didn't have the same confidence about the future. Maybe they know something I don't.

The experience we've had with ISTEA has shown some tremendous successes. For example, ISTEA has established the importance of a comprehensive, intermodal transportation system.

It's given far greater flexibility and autonomy to state and local officials, even though it has spurred some world-class debates about priorities and programs.

It's expanded the planning process to ensure that the best solutions are chosen, and included new players, such as the revitalized metropolitan planning organizations, to ensure that decisions have broad support.

It's provided support for programs that reposition transportation as a contributor to a better environment -- an important concern in developing the resources we need.

And, under President Clinton's budgets, ISTEA has meant money -- more federal funding than ever before, especially for infrastructure, safety, and technology.

These are all principles we would like to see carried forward in our 1997 budget and in the ISTEA reauthorization.

Some of them, such as the continuing devolution of decision-making authority to state and local officials, should be expanded. We want to continue that trend, while still ensuring that we protect clear national transportation priorities.

We also want to continue leveling the playing field so that highway or transit projects can be chosen on their merit, rather than on whether they happen to fall into some fixed category. We see a trend towards programs that fully mix the modes, as in our ITS initiatives.

We trust our state and local partners to make the right decisions about how to best use the money apportioned to them, and we agree with the governors who believe that their range of choices should include rail where that is a solution to their problems.

Finally, it's also important that reauthorization continue the progress towards intermodalism so that modal categories and competitions defined at the beginning of the 20th century don't determine how we create the transportation system of the 21st century.

In the commercial world, shippers no longer identify with specific modes -- they want a transportation solution that works for them.

As we move towards a 1997 budget and ISTEA reauthorization, it's vital that we work together. Those of you who participated in ISTEA's creation will remember how important cooperation among a number of constituencies was to that process.

Cooperation and constituency-building is going to be even more important in the future as the federal government faces spending limits and state and local governments confront competing demands for their funds.

There will be some things that divide us -- especially when it comes time to debate funding formulas, but if we bog down in that debate it will work against all of our interests.

Everyone *here* recognizes transportation's importance to our economy and our quality of life, but getting the resources we need is not going to be easy as we compete against schools, law enforcement, health care, and other legitimate needs.

That's why we need to maintain -- and even expand -- the coalition of constituencies that gave us ISTEA. We need to work together to establish a productive dialogue about transportation programs with the capability of generating broad support -- just as ISTEA did.

As I said at the beginning of my remarks, this can't be a time for either/or decisions, but a time to find common ground. If we don't do so in an era of budget infighting, we risk losing the broad support that has sustained our programs so far.

We in the Clinton Administration want to help the transportation community work to reconcile its sometimes-conflicting agendas, and to build the type of consensus that gave us ISTEA. I look forward to working with you in that effort.

Now, I'd like to hear any comments you have on these issues, and take any questions you may have.

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**TALKING POINTS
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY
PANEL ON STATISTICAL PROGRAMS AND PRACTICES
OF THE BUREAU OF TRANSPORTATION STATISTICS
WASHINGTON, D.C.
JANUARY 18, 1996**

- * Before I begin, I'd like to recognize Dr. Lakshmanan, a central member of this effort who couldn't be with us today. As you know, he's recovering from a heart attack, and I understand that the prognosis for full recovery is good. We're looking forward to his return, and to a continuation of the leadership he's brought to improving transportation statistics.
- * In his absence, I'm happy to represent the Department at this panel's first meeting. The work that you're beginning today to guide our data collection and analysis is going to be increasingly important as we enter an era of limited resources and growing demands on our transportation system.
- * We're going to have to give government officials and business leaders the best information available if they're going to make sound decisions about operating and investing in that system. That's a view that received bipartisan support through ISTEA, the legislation that created BTS.
- * However, that's not necessarily a popular view in Washington today, where there's a tendency to devalue data

collection and analysis in everything from the environment to the economy to public health and safety.

- * This view is already affecting transportation -- for example, the National Highway System bill that repealed the National Maximum Speed Limit also ended data collection and reporting requirements on highway crashes and speeds, which will make it harder to identify the real impacts of increased speeds.
- * We also see the idea that knowledge isn't important in proposed budget cuts that might jeopardize the collection of journey-to-work data in the next Census. These data, together with the American Travel Survey and the Commodity Flow Survey that BTS commissions, form the backbone of our travel statistics.
- * A House subcommittee challenged the need for the Census "long form" -- which includes these questions -- and that places them at risk in the current environment, even though the Census is clearly the most cost-effective way to get these critical data.
- * These views haven't spread too far yet, but that doesn't mean their future spread won't threaten our ability to make sound decisions about the operation or development of our transportation system.
- * Let me be clear: we don't want the collection of vital data to be burdensome for the public, for business, or for other

government agencies. We need to show that the benefits of this process substantially outweigh the costs.

- * That means we continually have to look at ways to collect data more cheaply and more efficiently. We've got to promote interagency cooperation to avoid redundant data reporting, and we have to streamline our existing systems.
- * Since its inception, BTS has been at the center of DOT's efforts to do this, and they've done an outstanding job. However, it'll be tremendously beneficial to have people familiar with transportation and with statistics to advise us.
- * You're among America's leading experts in these fields, and we're looking forward to your counsel and guidance as we refine our statistical collection and analysis programs.
- * We also look forward to your recommendations on how to maintain the strong yet independent relationship between BTS and the Office of the Secretary, and how to enhance the relationships between BTS and the Department's operating administrations.
- * The work that you, the Committee on National Statistics, and TRB will be doing together over the next 18 months is absolutely indispensable, and I want to thank you for contributing your expertise. Let me close by hoping that you find your efforts personally rewarding.

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TALKING POINTS
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY
FHWA NATIONAL OPEN HOUSE AND NHS CELEBRATION
WASHINGTON, D.C.
JANUARY 23, 1996

(There will be two speaking opportunities: first, a 2:00 pm telephone hook-up with all FHWA offices nationwide. The call will be made privately from an office within FHWA. Rodney Slater will open and close the call.

The second speaking opportunity will be with the attendees at the headquarters open house in room 3401. The remarks are meant to be informal, and there will be no podium. Rodney Slater will again open and close.)

- * Thank you, Rodney. [On behalf of Secretary Peña,] I'd like to extend greetings to the FHWA staff participating in today's open houses and to welcome our guests from around the country.
- * Today's events are a way to affirm our traditional relationships with the transportation community, and to carry on the process of forging new partnerships begun by ISTEA more than four years ago. Those new, broader alliances will be critical as we work together to develop the transportation system of the 21st century.
- * The National Highway System will be the central element of that 21st century network. Rodney, I want to congratulate you and the entire FHWA family on the designation of the NHS. I also want to thank our partners in state and local government and in the private sector who

worked so hard to help us develop the NHS, and are working with us to develop its intermodal connectors.

- * We see a system which will link all modes into a single integrated network that will increase transportation efficiency and spur the economic growth and job creation we need for long-term prosperity.
- * The creation of an intermodal transportation system will be an ambitious task that will demand the best from all of us -- federal agencies, state DOTs and other transportation agencies, metropolitan planning organizations, the transportation industry, and -- most importantly -- the American people themselves.
- * We will also need all of your expertise and commitment as we move to apply technology to make this system work for 21st century demands. Last week, we began this process of defining an infrastructure for that system of the future -- our rollout of the Intelligent Transportation Infrastructure -- the ITI. We will need your help to make that a reality.
- * President Clinton has spoken before about the need for all Americans to seek common ground and build for our future, and I expect he will do so again tonight in his State of the Union address. In transportation, we have seen that spirit in the cooperation which gave us the NHS, and which will bring us the ITI.

- * I hope that, as we celebrate our achievements, we can pause for a moment to reflect on the even greater challenge of building a true intermodal system -- one which serves the needs of all our people -- and commit ourselves to the partnerships that will make that happen. Thank you, and -- again -- congratulations.

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**TALKING POINTS
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY
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4.48

TALKING POINTS
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY
TRANSPORTATION ADMINISTRATIVE SERVICE CENTER OPENING
WASHINGTON, D.C.
JANUARY 24, 1996

(Introduction to be made by Assistant Secretary Melissa Spillenkothen)

- * Thank you, Melissa. Before we begin, I'd like to thank you for your leadership in the effort to restructure DOT. I know it hasn't been easy, but I'm proud that this department is a leader in reinventing government.
- * You and the Transportation Administrative Service Center's new team are among the chief reasons for that success, just as you're critical in providing the services that make the Department work on an everyday basis.
- * This is, indeed, a proud moment for *all* of us -- the most tangible evidence yet that the National Performance Review analyses that Melissa spearheaded and the restructuring of DOT which the Secretary announced last year will make a real difference in how we do business.
- * Today's opening of the TASC reminds us of how far we've come. It was just an idea less than a year ago, and now it's reality -- a reality based on the simple proposition that those who rely on your products and services are our *customers*.

- * The new emphasis on customer satisfaction is a fundamental new vision of how government relates to those it serves. By viewing them *as* customers and adopting a more business-like approach, we can meet their needs even with the limited resources we expect to have available in the future.
- * That future is visible in the 1996 DOT appropriations bill, in which Congress called for the consolidation of our administrative activities, made cuts in our budget, chartered you to seek new business -- but still expected the Department to continue our service to the American people. We'd be hard-pressed to meet those targets without the clear sense of mission and employee empowerment that the TASC provides to *get the job done*.
- * The TASC is a once-in-a-generation opportunity to improve our operations *and* to make this a better, more rewarding work environment -- one that, like the TASC itself, encourages excellence and entrepreneurialism.
- * Let me close now by congratulating you -- the TASC's employees -- on a job well-done: your success in getting the new center up and running so quickly, since we all gathered at your retreat just last August. And now, I'd like to invite Secretary Peña to say a few words.

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REMARKS PREPARED FOR DELIVERY
DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY
WHITE HOUSE TRANSPORTATION EXECUTIVES CONFERENCE
WASHINGTON, D.C.
JANUARY 25, 1996

Good afternoon. I'd like to talk about how our department is following through on President Clinton's policies and transforming the way we work with you in business to build a strong transportation system and sustain its growth in jobs and profits.

First, we're committed to a pro-competitive posture so that market forces will cut transportation costs and increase opportunities for growth companies.

Under President Carter, we saw a burst of deregulation that opened up the trucking, rail, airline, and air cargo industries.

We didn't see deregulation like that again until -- well, until President Clinton signed one bill that essentially ended economic regulation of the trucking industry and another that terminated the ICC after a century of rail and truck regulation.

Opening up all of these industries has not only cut costs for shippers and travelers, but increased opportunities for new companies, both service providers and their suppliers. And the results have been positive, as we've seen in the turnaround of the entire industry in the past three years.

Of course, *some* regulation *is* necessary -- where it comes to issues that truly affect health and safety, or where business itself seeks federal oversight to avoid a hodge-podge of local rules, to ensure a level playing field with less-responsible competitors, or to protect industry from unwanted liability.

But we're serious about assuring that the regulations are sensible, and that they achieve their goals at the least possible cost.

At the President's direction, we've done what all federal agencies are doing -- reviewing all regulations to see what's obsolete -- what's counterproductive -- and where we can find better alternatives.

At DOT, we found that nearly one-eighth of our regulations -- more than 1,200 pages in the *Code of Federal Regulations* -- could be eliminated, and I'll be the first to admit that some of them make me shake my head.

Did you know that we regulated how a truck driver should climb into his sleeper berth¹ -- or that we required that buses stop at open drawbridges -- or that auto seat belts use only colorfast dyes?

¹ Drivers were prohibited from entering a sleeping berth while the truck was in motion unless there was direct access from the cab. Many truck tractors lacked such access, and drivers were forced to enter the berth from the outside. Virtually all trucks now have direct access, and the rule was included in a set of obsolete regulations eliminated in November 1994.

Some calls are more difficult, of course. We're now rescinding requirements for pre-employment alcohol testing -- an example in which the results from a rule weren't worth the cost of carrying it out.

And, in addition to cutting 13 percent of all regulations, we're rewriting an additional 37 percent. All told, *half* of DOT's regulations are being cut or reworked -- and we're more than half-way through that review.

To be sure that we continue changing the culture of regulation, we've involved industry through advisory committees in each major mode, and we're moving ahead with negotiated rulemakings.

Let's look at another part of the Vice President's National Performance Review -- how it's improving service to companies and suppliers that do business with DOT, as well as improving service to the public.

We're completely revamping our procurement process-- a process that was the product of generations of good intentions which sometimes went off the tracks.

We've reached the point, maybe, where the checks and balances in this system have so weighted it down that nothing gets done, and we end up depending on technologically-obsolete systems, like the air traffic control computers that run on vacuum tubes.

To change that culture, we've designated all of DOT as a Procurement Reinvention Lab where we can waive red tape and try new approaches -- simplify -- implement and use electronic procurement systems -- and give line employees greater authority to make quick, sensible purchasing decisions.

Today, more than 14,000 employees in DOT have the ability to take quick action on small purchases by using a government credit card -- and more than 417,000 transactions valued at over \$126 million were processed last year for items like office supplies, critical parts for small Coast Guard boats, and the like.

We also were the first federal agency to implement procurement performance measures to make sure that our reforms are actually working, and to identify more opportunities for improvement.

One that you'll hear a lot about soon is reform of the FAA. Over the next decade air travel will increase from today's level of about 500 million passengers to 800 million -- and we can't efficiently manage that increase with computers running on vacuum tubes.

By April 1 of this year we'll begin to implement a series of major procurement reforms at the FAA that will dramatically improve how new technologies are acquired and deployed.

These reforms -- based on pilot projects we've been running -- will cut paperwork -- cut lead times -- cut industry costs -- and help us meet tomorrow's air traffic control needs.

Our reinvention efforts to aid business go well beyond procurement reform.

We want to reach out to business by working with telephone companies to create "Blue Pages" listings based not on bureaucratic organizational charts but on common sense: things that real people can relate to, like the services we provide.

If your problem is one of, say, hazardous material, you want to look up "HazMat," and not the "Department of Transportation's Research and Special Programs Administration."

With other government agencies, we're developing the U.S. Business Advisor, which gives American businesses one-stop electronic access to the information resources of the federal government.

We've also launched a project to consolidate our nine legal dockets into one, and to make a transition from paper dockets to unalterable electronic dockets. That will expand access and cut costs for users who need to keep up to date.

And we've established and published customer service standards for most of our activities, including business services like our shipbuilding support program and HazMat shipping.

For example, if you're a HazMat shipper, we guarantee that your temporary transport registration applications will be processed over the phone, 24 hours a day.

If you're a pipeline operator, we guarantee you'll have an exit interview after safety inspections to advise you of any deficiencies and to tell you how to make improvements.

And if you're a pilot, we guarantee you'll have free 24-hour access to a service that will answer your technical questions.

These are only some of the most recently-issued customer service standards, and we'll be publishing more this spring.

Finally, with a lot of advice from many of you, we have an ongoing process to restructure DOT.

While major changes require Congressional approval -- and haven't been tops on their agenda -- we've already made a great deal of progress using existing authority.

Just this week we opened a new Transportation Administrative Services Center to take over functions like personnel, printing, and procurement.

After a transitional period, this center will have to compete -- based on cost and service quality -- in order to continue providing these services, just as any private company would.

We've also showed, as the President said on Tuesday night, that the era of big government is over.

Although DOT's size had *increased* by nearly 10,000 people in the four years before President Clinton took office, we've *cut* nearly 11,000 since then -- focusing on headquarters and administrative functions and areas where private providers can offer services -- such as contracting out services at low-activity FAA towers.

And we're working out a plan to consolidate the scores -- and the layers -- of DOT field offices to end duplication and cut overhead -- while giving our customers one-stop, intermodal shopping.

We expect that the President will present this plan to Congress when he submits his 1997 budget.

If it needs legislative approval, Congress has already agreed to a fast-track timetable that will produce a straight up-or-down vote on the President's plan this year, and we're optimistic that it will pass.

Each of the initiatives I've detailed -- deregulation, improved customer service, procurement reform, and DOT restructuring -- all have in common a commitment to the premise that government can both work better *and* cost less.

We look forward to delivering on these initiatives, and I'd be happy now to take any questions you may have.

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